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TO: Secretary of State

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Guatemalan Government statements regarding Castillo Armas-Ydigoras Fuentes plot has been sensational local press and political circles of last few days (Department Circular 283, February 1) with Communist and government sector openly suggesting plot had US backing and opposition newspapers also condemning foreign intervention in Guatemalan affairs.

Central Committee of Communist Party PGT issued manifesto on day of government release, January 29, stating plot was "special form of intervention in internal affairs of our country by North American imperialism." Following day Communist-controlled National Labor Federation CGTG, holding its second congress in national sports stadium, approved amid shouts of "death to foreign intervention," message to President Arbenz offering full support of workers "in face of plans of imperialist intervention in connivance with traitors to Guatemala." Congress last night formally declared Castillo Armas and Ydigoras Fuentes traitors to nation after five hours of speech-making in which Communist Deputy Victor Manuel Gutierrez, just re-elected CGTG secretary general, accused them of receiving funds from UFCO and Department of State from $100 million Mutual Security funds. Gutierrez further accused international press agencies under influence UFCO, ex-Assistant Secretary Braden, Assistant Secretary Cabot and Ambassador Peurifoy of twisting truth about Guatemala.

Meanwhile, pro-government press has clearly sought to convey impression US was behind alleged plot. Official DIARIO DE CENTRO AMERICA front-paged first five pages of Colonel John Studer's US passport with its initial story and has since daily published photostats of alleged Castillo Armas correspondence. Communist TRIBUNA POPULAR headed its first story "International Plot Denounced By Government; Conspirators In Interior And Exterior Relied On Yankee Blessing; Planned Criminal Bombardment With Napalm Bombs." Editorial comment in all government papers has centered on "foreign intervention" theme but

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theme but with only veiled allusions to US.

Independent papers have generally followed line of PRENSA LIBRE January 30 which said "Guatemalan exiles in various Central American countries looked for and obtained complicity of Nicaraguan Government to bring civil war to Guatemala, a fact which as Guatemalans we must condemn." They have published Department's denial of US implication but made no comment on it.

Opinion in anti-government circles runs to extremes of those who believe "our last hope is gone" and those who believe whole thing is government hoax. Many appear now to think there was a grain of truth in government version but government had exaggerated considerable.

KRIEG

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